

Programs Overview

Affordable housing information for home buyers, renters, housing producers and providers of special needs housing.



Kentucky Housing
Corporation

Leading the way home...

This guide is designed to give a general overview on all of Kentucky Housing's programs and services. For more detailed information, visit www.kyhousing.org or call one of our program representatives using the phone list provided in the back pocket of this guide.

This document was produced without state funds.

Alternative format available upon request.

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Kentucky Housing Corporation (KHC) is a self-supporting, public corporation created by the 1972 General Assembly. With a mission to provide affordable housing opportunities, KHC offers lower-than-market rate home mortgages, down payment assistance, homeownership education/counseling, housing production financing, rental assistance, housing rehabilitation and supportive housing programs for homeless and special needs populations.

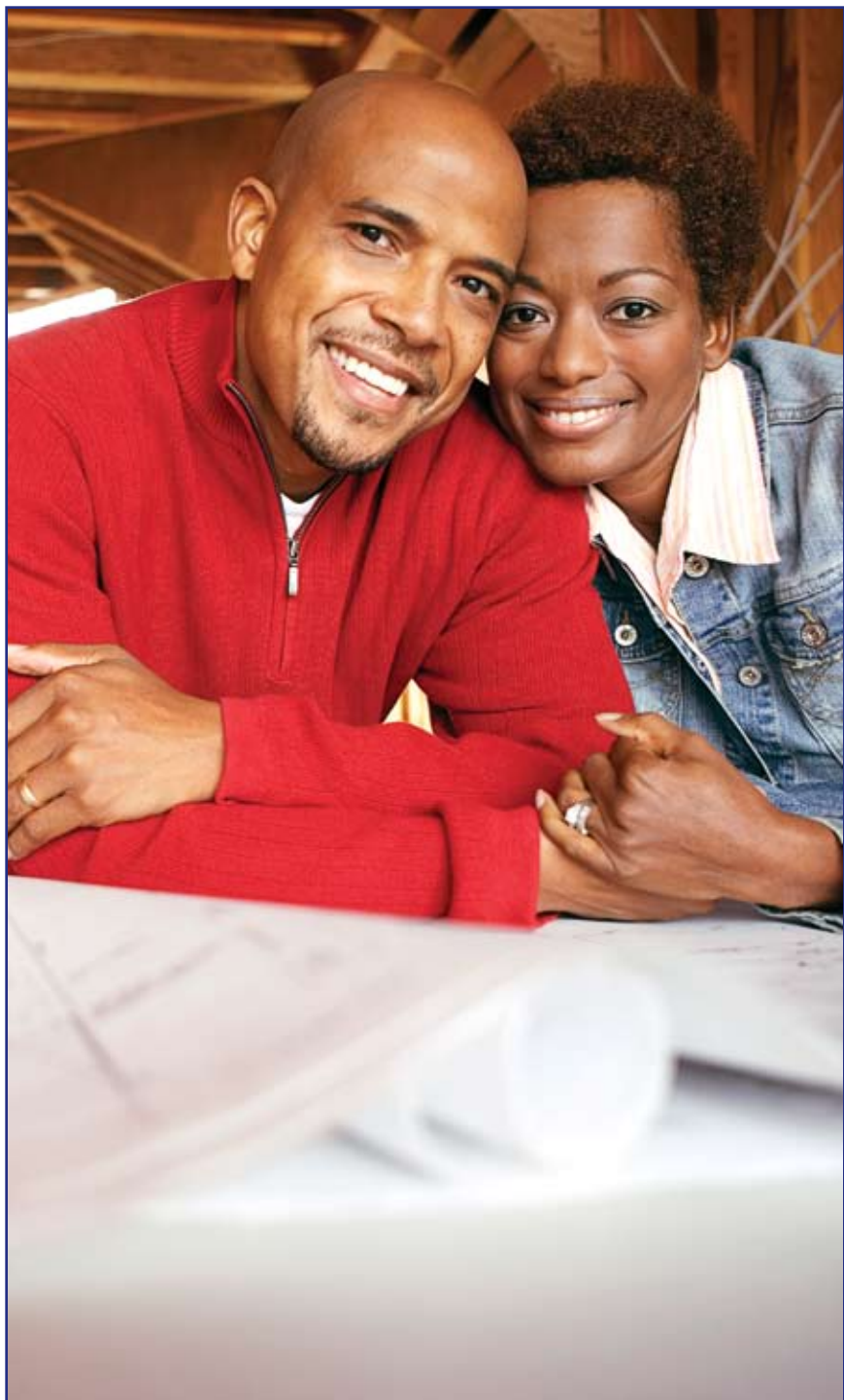
Since 1972, Kentucky Housing Corporation has helped make homeownership possible for more than 82,000 households. Annually, KHC serves approximately 24,000 Kentucky households with rental assistance and services approximately 33,400 loans.

Kentucky Housing Corporation works with many partners across the state, including lenders, government agencies, nonprofit housing providers, builders, real estate agents, community organizations and developers, to create affordable housing opportunities. An array of programs and services are briefly described in this guide for housing providers and producers, renters and home buyers.

For more information about Kentucky Housing Corporation's programs, visit www.kyhousing.org or call KHC customer care toll-free in Kentucky at (800) 633-8896 or (502) 564-7630, extension 490; TTY 711; or email blangan@kyhousing.org.

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Kentucky Housing Corporation encourages Kentuckians to pursue homeownership because it strengthens financial and household stability. Through an array of interrelated programs, Kentucky Housing provides at or below-market interest rate home loans, down payment and closing costs assistance, homeownership education and counseling and mortgage loan servicing.

Kentucky Housing's free Home Buyer Notebook, a step-by-step guide to purchasing a home, is available by calling (800) 633-8896, extension 222, or visiting www.kyhousing.org.

HOME MORTGAGE LOANS

Kentucky Housing offers at or below-market interest rate loans to income-qualified home buyers, including a variety of conventional loans, as well as Federal Housing Administration-, Veterans Administration- and Rural Housing Services-insured loans.

Qualifications for the program are based primarily on income, credit history and the ability to repay the loan. All loans are offered at a fixed rate for a term of 30 years. Kentucky Housing's current interest rate can be found at www.kyhousing.org. Purchase price limitations apply and are periodically adjusted in accordance with the state's affordable housing market.

DOWN PAYMENT AND CLOSING COSTS ASSISTANCE LOANS

Recognizing that down payments and closing costs are often stumbling blocks for many potential home buyers, Kentucky Housing developed several down payment assistance programs to meet a variety of needs. Depending on the individual home buyer's qualifications, including income and purchase price limits, up to \$10,000 may be available for down payment and closing costs assistance.

SPECIAL FIRST MORTGAGE LOANS

To further extend affordable homeownership opportunities, Kentucky Housing periodically offers very low-interest rate home loans to income-qualified Kentuckians with special needs. Eligible households include single parents, elderly and persons who receive disability income. The interest rate assigned to a qualified applicant may range from 1 to 6 percent, based on what his or her income can support.

HOMEOWNERSHIP EDUCATION

Kentucky Housing's free homeownership education program, called *Yes You Can ... Own A Home*, explains the home purchasing process to prospective home buyers in communities across Kentucky.

The program consists of a class or a series of classes led by local housing professional volunteers. Participants learn how to make knowledgeable decisions, including how much they can afford to pay for a home, understanding credit, how to shop for an affordable mortgage and basic home maintenance tips.

In communities where *Yes You Can ... Own A Home* is not offered, the home study course is available by calling (800) 633-8896, extension 222, or visiting www.kyhousing.org.

HOMEOWNERSHIP COUNSELING

In addition to home buyer education, Kentucky Housing offers a homeownership counseling curriculum and materials to counselors throughout the state. Kentucky Housing contracts with agencies and counselors to provide counseling services to Kentucky Housing-eligible prospective home buyers who have been declined a home loan by Kentucky Housing or a Kentucky Housing-approved lender due to credit problems. The counselors help participants develop a budget and savings plan, identify and clean up credit problems and prepare to apply for a home loan.

Graduates of the *Yes You Can ... Own A Home* program who have credit issues or believe they need additional counseling are eligible to participate in this program.

POST-PURCHASE EDUCATION AND PREDATORY LENDING AWARENESS

To support and educate new homeowners on the responsibilities of homeownership, Kentucky Housing co-sponsors free classes about what to expect following the home purchase. Post-purchase education classes teach new homeowners how to adjust their monthly budget for successful homeownership, how to protect their investment and avoid predatory lending.

Anyone who has a Kentucky Housing home loan is eligible for free post-purchase education with a Kentucky Housing-approved counselor.



Kentucky Housing administers two federal rental assistance programs through which the U.S. Department of Housing and Urban Development (HUD) pays a portion of the rent and the participant pays the rest (usually 30 percent of their income). Both of these programs, Project-Based and Tenant-Based Rental Assistance, offer income-qualified participants an opportunity to find rental housing at an affordable price.

Additionally, Kentucky Housing offers a program that puts participants on the path to self-sufficiency and a Web site designed to help Kentuckians find rental housing.

PROJECT-BASED RENTAL ASSISTANCE

The Project-Based Rental Assistance Program provides housing assistance to participants who reside in designated apartment buildings and homes throughout the state of Kentucky. The management of these properties accept applications from potential program participants who qualify for rental assistance. Applicants must meet income and program guidelines.

The housing subsidies are paid to owners on behalf of tenants to keep the amount that tenants pay for rent affordable. This assistance is tied to the property and differs in that respect from the tenant-based rental assistance program, where the subsidy follows the tenant when a tenant moves to another property.

Kentucky Housing performs contract administration, including

program compliance functions to ensure that HUD-subsidized properties are serving eligible families at the correct level of assistance and asset management functions to ensure the physical and financial health of the properties.

TENANT-BASED RENTAL ASSISTANCE

The Tenant-Based Rental Assistance Program allows participants to locate and rent a house, duplex, apartment or mobile home on their own using a housing choice voucher. With this program, the assistance stays with the participant and can be used at any property where the owner/manager accepts the voucher.

This program is administered by Kentucky Housing in 86 counties throughout the Commonwealth, usually in counties where there is no local housing authority. Kentucky housing receives funding from HUD, which is used to pay rent to owners on behalf of the program participants. There is a waiting list for this program.

FAMILY SELF-SUFFICIENCY

The Family Self-Sufficiency (FSS) Program provides rental assistance and supportive services to income-qualified participants. Program participants must be willing to commit to reaching the goal of self-sufficiency (free of government assistance) within a five-year period.

In addition to rental assistance, FSS participants receive employment skills training, budget and credit counseling, money management tips and homeownership education. KHC establishes a special savings account for participants. Graduates of the FSS Program are encouraged to use this money for debt reduction, to further their education or as a down payment on a home.

HOUSING CHOICE VOUCHER TO HOMEOWNERSHIP

This program was developed for eligible Section 8 participants to use their housing choice voucher to assist them in purchasing a home. The voucher can be counted as income, as a PITI offset (principal, interest, taxes and insurance) or used toward a repayable second mortgage loan.

The term of assistance is 15 years for mortgage terms of 20 years or more. All other mortgages have a maximum term of assistance for ten years. Exceptions are made for elderly or disabled households. To participate in this program, the housing authority issuing the voucher must have a Section 8 Homeownership Voucher program and the borrower must complete pre- and post-purchase counseling and be a first-time home buyer. One or more family members must be employed full-time for at least one year, unless the family is considered elderly or disabled.

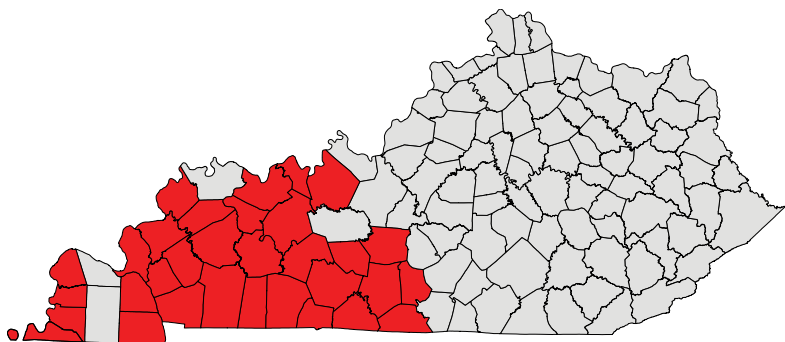
KENTUCKY RENTS

Kentucky Rents, an online listing of rental properties in Kentucky, can be found at www.kyrents.org. The site allows anyone to search by apartment size, location, price and even narrow the search to Section 8, elderly or handicapped-accessible housing. The listings may include photographs of the property, along with information about parking, proximity to schools, grocery stores and public transportation.

All of this information remains online, 24-hours-a-day, for anyone to view. These listings are provided as a free service by Kentucky Housing.

Kentucky Rents
www.kyrents.org

Rental Housing Contacts

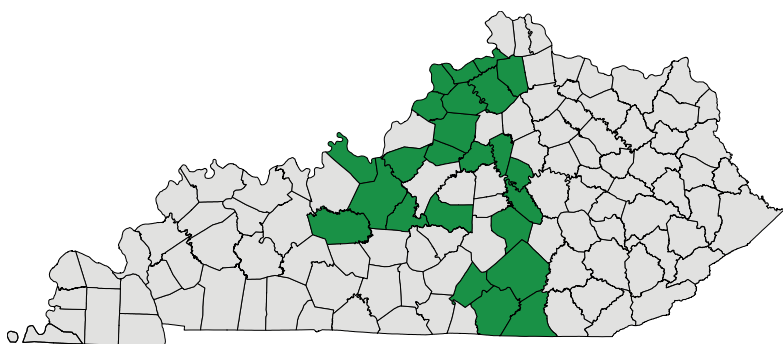


Western Regional Office

1235 Nebo Rd., Ste. A
Madisonville, KY 42431
Phone (270) 824-7317
Toll free (866) 855-7317
Fax (270) 824-7322

Counties Served

Allen	Edmonson	Metcalfe
Ballard	Fulton	Monroe
Barren	Hancock	Muhlenberg
Breckinridge	Hart	Ohio
Butler	Hickman	Simpson
Caldwell	Hopkins	Todd
Calloway	Livingston	Trigg
Carlisle	Logan	Union
Christian	Lyon	Warren
Crittenden	Marshall	Webster
Daviess	McLean	



Central Regional Office

1231 Louisville Rd.

Frankfort, KY 40601

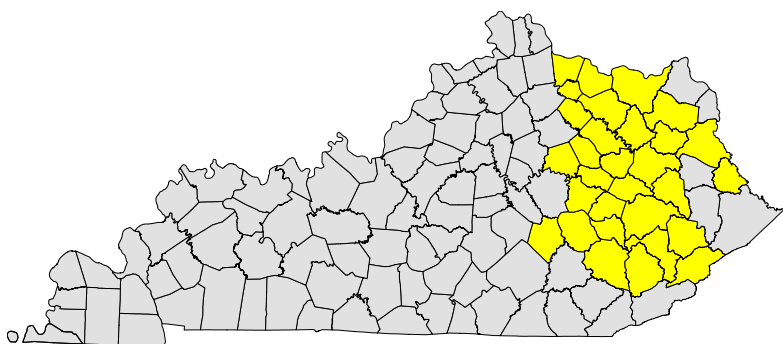
Phone (502) 564-9946

Toll free (877) 552-7368

Fax (502) 564-9964

Counties Served

Anderson	Lincoln	Trimble
Bullitt	Marion	Wayne
Carroll	McCreary	Woodford
Gallatin	Meade	
Garrard	Mercer	
Grant	Oldham	
Grayson	Owen	
Hardin	Pulaski	
Henry	Russell	
Jessamine	Shelby	
Larue	Spencer	



Eastern Regional Office

1084 Hwy. 7, Ste. 2

West Liberty, KY 41472

Phone (606) 743-7028

Toll free (866) 208-6525

Fax (606) 743-7063

Counties Served

Bath	Lawrence	Nicholas
Bracken	Lee	Owsley
Breathitt	Leslie	Perry
Carter	Letcher	Powell
Clark	Lewis	Robertson
Clay	Magoffin	Rockcastle
Elliott	Martin	Rowan
Estill	Mason	Wolfe
Fleming	Menifee	
Jackson	Montgomery	
Knott	Morgan	

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Kentucky Housing Corporation has several programs to help local and regional agencies and developers provide families in their service area with increased affordable housing opportunities. Funding support is provided for the acquisition, construction, rehabilitation and permanent financing of single-family homes or rental properties. Assistance is also available for the production of rental housing for low-income families, elderly and special needs residents.

HOME INVESTMENT PARTNERSHIPS

Created by Congress in 1990, the HOME Investment Partnerships (HOME) Program provides funding for various types of affordable housing production and rehabilitation to assist households at or below 80 percent of the area median income. Kentucky Housing Corporation awards HOME funding to successful applicants, such as local governments, housing authorities, private developers and nonprofit housing providers. KHC administers and monitors the HOME Program in Kentucky for the U.S. Department of Housing and Urban Development.

Kentucky Housing Corporation is among a handful of state housing finance agencies in the nation to offer the agencies it funds a large variety of activities. These activities include the rehabilitation of owner-occupied single-family units, new construction of single- or multifamily housing, acquisition and rehabilitation of vacant existing housing stock for sale to low-income households, acquisition and/or rehabilitation of rental property and tenant-based rental assistance. Interested applicants should apply to one of the organizations that have received HOME funding from KHC.

HOUSING CREDIT

The Low Income Housing Tax Credit (Housing Credit) Program was introduced as part of the Tax Reform Act of 1986 to promote the development of low-income rental housing through tax incentives. The program offers eligible property owners a ten-year tax credit for each unit created for low-income families.

Both nonprofit and for-profit developers of affordable housing are eligible for Housing Credits. The credit must be used for one or more rent-restricted units available for long-term, continuous rental use. Only the units rented to low-income persons in a building qualify for Housing Credit.

RISK-SHARING

The Risk-Sharing Program is a mortgage insurance program that may be used for construction and permanent financing for the creation of multifamily rental housing by entities approved by HUD. Mortgage insurance generally protects lenders against loss due to default. Under the Risk-Sharing Program, Kentucky Housing and HUD “share” the full insurance risk.

The Risk-Sharing Program assists households at or below 60 percent of the area median income. Eligible applicants include nonprofit and for-profit builders and developers as well as units of local government. The rental units are income-restricted based on the requirements of the loan funds used for financing.

SMALL MULTIFAMILY AFFORDABLE LOAN

The Small Multifamily Affordable Loan (SMAL) Program is designed to increase the supply of affordable rental housing for lower-income individuals. This program makes it easier for developers to build smaller projects in the rural areas of the state that cannot support large projects. Since it is a state program, SMAL is free of many federal requirements when used as a sole funding source.

The loans, which are offered to both for-profit and nonprofit

providers, may be used for construction and/or permanent financing of developments not exceeding 11 units. Interest rates for the SMAL Program are set at the highest possible rate and begin at 3.5 percent.

AFFORDABLE HOUSING TRUST FUND

The Affordable Housing Trust Fund (AHTF) was established in 1992 by the Kentucky General Assembly to address the critical housing needs of very low-income Kentuckians, including the mentally and physically disabled and those on the verge of homelessness. The fund supports projects that assist persons at or below 60 percent of the area median income, with a preference to help persons at or below 30 percent of the area median income.

Local governments, housing authorities, nonprofit agencies and statewide housing assistance organizations may apply for these funds. Eligible AHTF activities include acquiring, rehabilitating and/or constructing single- or multifamily housing; meeting specified matching fund requirements; and supporting administrative costs to provide housing for very low-income residents. Interested applicants should apply to one of the organizations that have received AHTF funding from Kentucky Housing Corporation.

NONPROFIT HOUSING PRODUCTION AND REPAIR

The Nonprofit Housing Production and Repair (NHPR) Program provides very low-interest rate loans for the production and repair of affordable housing. NHPR loans are allocated in “blocks” to eligible nonprofit agencies and housing associations.

All persons served through the NHPR Program must be of low income. Of the number of persons assisted, 60 percent must be at or below 60 percent of the area median income. All persons served must be at or below 100 percent of the area median income.

Eligible activities include new construction, acquisition, rehabilitation, minor and/or emergency repairs, down payment assistance, closing costs assistance and administration costs.

KENTUCKY APPALACHIAN HOUSING

The Kentucky Appalachian Housing Program (KAHP), funded by the Appalachian Regional Commission (ARC), provides financing for housing-related infrastructure. KAHP is designed to assist low-income households in ARC counties designated as “distressed.”

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For Providers of Special Needs Housing

Kentucky Housing Corporation provides several financing programs for developers and support service providers of special needs housing. These programs are designed to meet the growing need for safe, decent, affordable housing options for some of Kentucky's most vulnerable persons, including the homeless, those at risk of becoming homeless, the disabled and those recovering from substance addictions.

CONTINUUM OF CARE

Continuum of Care is a term that refers to the comprehensive approach of addressing homelessness by providing an array of progressive housing programs and services. These programs are designed to promote the development of transitional and permanent supportive housing, as well as the provision of rental assistance and supportive services.

Continuum of Care programs include:

- Section 8 Moderate Rehabilitation for Single-Room Occupancy
- Shelter Plus Care
- Supportive Housing

NOTE: *Each COC program has an individual application that must be used, all of which are available on Kentucky Housing's Web site. Applications must be presented to the applicant's local Continuum of Care Planning Board prior to submission to Kentucky Housing.*

SECTION 8 MODERATE REHABILITATION FOR SINGLE-ROOM OCCUPANCY

The Section 8 Moderate Rehabilitation for Single Room Occupancy (SRO) Program provides rental assistance to homeless individuals in rehabilitated SRO housing. The program provides assistance where an equal value of rehabilitation to a SRO unit is provided as a match.

Eligible applicants are public housing authorities and nonprofit organizations in partnership with public housing authorities (excluding Fayette County and Jefferson County).

SHELTER PLUS CARE

Shelter Plus Care provides rental assistance for homeless persons with disabilities and their families who need both safe, decent and affordable housing, as well as access to supportive services to live as independently as possible. The program provides assistance where an equal value of support services is provided as match funding.

Eligible applicants are public housing authorities (excluding Fayette County and Jefferson County) and nonprofit organizations.

SUPPORTIVE HOUSING

The Supportive Housing Program provides funds for the development of supportive housing and supportive services. These services include innovative approaches to assist homeless persons in the transition from homelessness and to promote the provision of supportive housing to homeless persons to enable them to live as independently as possible.

Eligible activities include construction, acquisition, rehabilitation, leasing or expansion of transitional shelter facilities; permanent housing facilities for homeless disabled persons; or safe haven facilities for homeless disabled persons.

Funds may also be used for the development of new or expanded services for the homeless without the development of new shelter

facilities, provision of essential support services, facility operations and administrative costs for grants.

Eligible applicants include public housing authorities (excluding Fayette County and Jefferson County) and nonprofit organizations.

EMERGENCY SHELTER GRANT

The Emergency Shelter Grant (ESG) Program provides funds to increase the supply of and access to safe and sanitary emergency shelter, as well as supportive services.

Eligible activities under the ESG Program include renovation, major rehabilitation and conversion of buildings for use as emergency shelters; essential supportive services; facility operations; financial assistance or other services that prevent homelessness; and administrative expenses for grants.

Eligible applicants for this program include local governments and private nonprofit organizations that receive approval by an appropriate unit of local government.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

The Housing Opportunities for Persons With AIDS (HOPWA) Program provides the resources and incentives necessary to devise long-term comprehensive strategies for meeting the housing needs of low-income persons with HIV/AIDS and their families, as well as to prevent homelessness among this population. HOPWA serves households at or below 80 percent of the area median income that include a person diagnosed with HIV/AIDS.

Eligible activities under HOPWA include housing information services with counseling and referral services; acquisition, rehabilitation, conversion, lease and repair of housing facilities; new construction of housing facilities; rental assistance; short-term rent, mortgage and utility payments; supportive services; operating costs of housing facilities; and administrative expenses for grants.

Eligible applicants for HOPWA funding are local governments and nonprofit organizations.

SAFE HAVENS

Safe Havens provides temporary housing assistance to individuals and families who are seeking to leave a shelter or who are otherwise in need of housing. Under this program, participants receive housing assistance and case management while searching for permanent housing. Two separate programs comprise the Safe Havens initiative.

Safe Place serves persons with serious and persistent mental illness. Participants receive services that prepare them for new living arrangements and expedite their progress into permanent housing. These services assist participants in gaining access to resources, such as psychiatric support, food stamps, clothing banks, household furnishings and Social Security benefits.

Safe Start provides housing and a stable environment with case management to domestic violence victims and homeless families with children. Safe Start participants should reach a level of self-sufficiency based on their individual capabilities. Like Safe Place, services are provided by existing agencies throughout the state.

Both programs offer Individual Development Accounts to help participants save money. The amount of their savings is matched two-to-one and can be used toward homeownership, post-secondary education or entrepreneurship.

KENTUCKY TRANSITIONS

Kentucky Transitions allows eligible individuals to transition from institutional settings back into the community. The program may provide eligible individuals with moving and modification expense assistance. Those eligible for transitioning through Kentucky Transitions include elderly individuals and those with physical disabilities; individuals with mental retardation and developmental disabilities; and individuals with acquired brain injuries.

Participation in Kentucky Transitions is strictly voluntary. Kentucky Transitions candidates must currently live in and must have lived in a Nursing Facility or ICF/MR-DD (or a combination of hospitalization

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NOTES

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Housing is a basic human need...

A home offers security, financial stability, individual and community pride and a positive environment – especially for younger Kentuckians.

Kentucky Housing has a variety of programs designed to help provide affordable housing. Whether you are looking for a home or developing housing for others, Kentucky Housing can help.

Call us or visit our Web site to learn how we can help you.

1231 Louisville Road • Frankfort, KY 40601-6171

(502) 564-7630 • (800) 633-8896 / TTY 711

www.kyhousing.org



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